

United States Customs Service, Treasury

§ 4.14

Master of the _____

 (Name of vessel)

 (Port of shipment)
 _____ 19—
 (Date)

(Use whichever alternative applies:)

Certificate of Consular Officer. I certify that the above declaration was this day produced and signed before me by the individual whose signature appears, that I am satisfied he is the person he represents himself to be, that I have delivered one copy hereof to him, and that I have retained a copy in my files.
 Service number not required.

_____ (Post)
 Tariff item No. 58(a) (no fee). _____
 _____ (Date)

[CONSULAR
 IMPRESSION
 SEAL]

 (Signature)

 (Title)

Certificate of Other Authorized Person. I certify that I have been designated by letter of _____, 19—, from (insert name of Officer), American (title) at (place), to provide certifications upon declarations made by masters under § 7 of the Anti-Smuggling Act of 1935 (19 U.S.C. 1707), that the above declaration was this day produced and signed before me by the individual whose signature appears, that I am satisfied he is the person he represents himself to be, that I have no interest in the shipment described, that I have delivered one copy hereof to the person making the declaration, and that I have forwarded one copy to the American (Embassy, Consulate General, Consulate) at (place).

_____ (Port of shipment)
 _____ 19— (Date)

[SEAL NOT
 REQUIRED]

 (Signature)

 (Title)

The provisions of this paragraph, read together with those of § 91.4, title 22, Code of Federal Regulations, constitute the joint regulations contemplated for issuance by the Secretary of State and the Secretary of the Treasury under section 1707, title 19, United States Code.

(b) When any shipment of spirits, wines, or other alcoholic liquors found on board a vessel not exceeding 500 net tons is not accompanied by a certified declaration as described in paragraph (a) of this section but is shown to have

a bona fide destination outside the United States, the master shall furnish a landing bond on Customs Form 301, containing the bond conditions relating to international carriers set forth in § 113.64 of this chapter in an amount equal to twice the potential duty liability with an authorized corporate surety.

(c) The condition of the landing bond shall be satisfied by the delivery to the port director within 6 months from the date of the bond of a landing certificate or certificates of a revenue officer of the country of destination showing that all the alcoholic liquors have been landed at their foreign destination.

[28 FR 14596, Dec. 31, 1963, as amended by T.D. 67-201, 32 FR 12557, Aug. 30, 1967; 32 FR 12750, Sept. 6, 1967; T.D. 84-213, 49 FR 41163, Oct. 19, 1984; T.D. 92-74, 57 FR 35751, Aug. 11, 1992]

§ 4.14 Foreign equipment purchases by, and repairs to, American vessels.

(a) *Dutiability of foreign repairs and equipment purchases*—(1) *Items subject to duty.* The equipment, or any part thereof, including boats, purchased for, or the repair parts or materials to be used, or the expenses for repairs made, including the cost of labor incurred, outside the United States, upon any vessel documented under the laws of the United States with a registry, coastwise trade license, or Great Lakes license endorsement, or intended to be employed in such trade, are dutiable at the rate of 50 percent ad valorem on the actual cost in the country where the items are purchased or the repairs are made. Liability for declaration, entry, and payment of duties accrues at the time of the first arrival of the vessel in a port of the United States. For the purposes of this section, equipment, repair parts or materials purchased, or repairs made, in American Samoa, the Guantanamo Bay Naval Station, Guam, Puerto Rico, or the U.S. Virgin Islands are not considered to have been purchased or made outside the United States.

(2) *Dutiable costs on specific types of vessels*—(i) *Fishing vessels.* Documented vessels of the United States with a fishery license endorsement having a permit to touch and trade (see § 4.15)

and documented vessels with a fishery license endorsement which lack a permit to touch and trade are subject to this section.

(ii) *Government-owned or chartered vessels.* Vessels owned or chartered by the United States Government, if documented with a registry, coastwise trade, or Great Lakes trade endorsement, or if undocumented, intended to engage in foreign, coastwise or Great Lakes trade, are subject to this section. See paragraph (b)(2)(i) of this section with respect to entry procedures for Government vessels.

(iii) *Vessels outside U.S. for two years or more—(A) Requirements for declaration and entry of dutiable items.* If a vessel which is documented with a registry, coastwise trade, or Great Lakes trade endorsement is operated in international or foreign waters two years or more after its last departure from the U.S., the only dutiable items are fish nets and nettings whenever purchased and any other items purchased or repairs made during the first six months after the vessel's last departure from the U.S. Under these circumstances, only those items (with the exception of fish nets and nettings) purchased and repairs made outside the U.S. during the first six months after the vessel's last departure from the U.S. shall be declared and entered. Fish nets and netting purchased or repaired outside the U.S. shall be declared and entered whether or not purchased or repaired during the first six months after departure.

(B) *Exception.* The provisions of § 4.14(a)(2)(iii)(A) do not apply to a vessel designed and used primarily for transporting passengers and property if such vessel departed the U.S. for the sole purpose of obtaining equipment, parts, materials, or repairs.

(iv) *LASH Barges.* Lighter-aboardship (LASH) barges (see §§ 4.81 and 4.81a) and similar vessels documented with a registry, coastwise trade, or Great Lakes trade endorsement or, if undocumented, intended to engage in such trade, are subject to this section.

(b) *Declaration and repair entry—(1) Declaration.* Upon first arrival of the vessel in the United States, the owner or master shall declare on Customs Form 226 all equipment, parts, or mate-

rials purchased, and all repairs made, outside the United States. Except as provided in § 4.14(a)(2)(iii)(B), the declaration is required regardless of the dutiable status of such items or expenses. The declaration shall be ready for production on demand and for inspection by the boarding officer and shall be presented as part of the original manifest when formal entry of the vessel is made. Estimated duties shall be deposited or a bond on Customs Form 301, containing the bond conditions set forth in § 113.64 of this chapter shall be filed before the departure of the vessel, except as provided in paragraph (b)(2)(i) of this section. The amount of the bond shall be determined by the port director as provided in § 113.13 of this chapter. See paragraph (g) of this section for applicable penalties.

(2) *Entry.* All equipment, parts, or materials purchased for, and all repairs made outside the United States to, any vessel subject to the provisions of this section shall be entered on Customs Form 226 by the master or owner of the vessel. The entry shall be filed with the appropriate Customs officer at the port of first arrival within five working days after arrival. The Customs officer with whom the entry is filed shall forward it to the appropriate vessel repair liquidation unit. The party filing the entry shall mark it to indicate whether it is a full and complete account or an incomplete account. See paragraph (g) of this section for applicable penalties.

(i) *Entry procedures for vessels owned or chartered by the United States.* Whenever the appropriate Customs officer determines that a Government-owned or chartered vessel subject to the provisions of this section (see paragraph (a)(2)(ii)) is being operated by an agency of the United States, or that a Government-owned or chartered vessel is being operated by a private party for an agency of the United States under an agreement that obligates the Government agency to pay any duty on the costs of repairs or purchases, the vessel shall be allowed to depart the port of first arrival without depositing estimated duties or furnishing a bond to cover estimated duties. In all other cases, the vessel shall be treated as though privately owned.

(ii) *Time period for submitting evidence of cost.* Whenever a repair entry is submitted as a full and complete account, the entry papers shall include evidence showing the cost of each item listed on the entry. If a repair entry is submitted as an incomplete account, the evidence must be submitted within 90 days from the date of the vessel's arrival, except that evidence of estimated foreign shipyard cost in the possession of or known to the vessel operator must be submitted at the time entry is made. If before the end of the 90-day period, the party that is required to furnish the evidence of cost submits a written request for an extension of time beyond the 90-day period, together with a satisfactory explanation of the delay, to the appropriate vessel repair liquidation unit, that unit may grant an additional 30-day extension of time to submit cost evidence. Any request for a further extension of time to furnish evidence of cost shall be submitted to the appropriate vessel repair liquidation unit, which shall transmit the request to Headquarters, U.S. Customs Service, Attention: Entry Procedures and Carriers Branch, for approval. If the costs shown on the complete account differ from the costs declared on the entry, the appropriate Customs officer may permit amendment of the entry.

(A) *Investigation to obtain evidence.* If the required evidence is not furnished timely, or is of doubtful authenticity, the appropriate vessel repair liquidation unit shall use all available means to obtain the necessary information and may refer the matter to the Office of Investigations. If an investigation is conducted, the Office of Investigations shall obtain all available evidence on the cost of the repairs and any evidence with respect to the reason for the party's failure to submit the evidence in a timely fashion.

(B) *Concurrent time period for submission of costs and filing application for relief.* The 90-day time period to submit evidence of cost on the entry is concurrent with the 90-day time period to submit an application for relief under paragraph (d)(1)(ii) of this section and will not operate to provide additional time to submit an application for relief. A request for additional time to

submit evidence of cost may include a request for additional time to submit an application for relief.

(c) *Remission or refund of duty—(1) Vessel repair liquidation units.* Vessel Repair Liquidation Units (VRLUs) are located in New York, New York; New Orleans, Louisiana; and San Francisco, California. The New York unit processes and liquidates vessel repair entries filed at ports on the Great Lakes and on the Atlantic Coast of the U.S. north of, but not including Norfolk, Virginia. The New Orleans unit processes and liquidates vessel repair entries filed at ports on the Atlantic Coast of the U.S. from Norfolk, Virginia, southward, and all U.S. ports on the Gulf of Mexico, including ports in Puerto Rico. The San Francisco unit processes and liquidates vessel repair entries filed at all ports on the Pacific Coast of the U.S., including those in Alaska and Hawaii. After entries are processed and liquidated, bulletin notices of liquidation are returned to original ports of entry for posting.

(2) *Authority.* In cases in which both clearly applicable Headquarters precedent exists, and the resulting refund or remission of duty will be less than \$50,000, the proper VRLU may approve or deny Applications for Relief. In cases in which clearly applicable precedent does not exist, or the resulting refund or remission will be \$50,000 or greater, the Application for Relief will be referred for action to the Entry and Carrier Rulings Branch, Customs Headquarters.

(3) *Basis for remission or refund.* Remission or refund of duty is authorized if good and sufficient evidence is furnished which shows any of the following circumstances exist:

(i) *Stress of weather or other casualty.* The vessel, while in the regular course of its voyage, was compelled, by stress of weather or other casualty, while outside the United States, to purchase such equipment or make such repairs, to secure the safety and seaworthiness of the vessel to enable it to reach its port of destination in the United States. However, only the duty on the cost of the minimal repairs needed for the safety and seaworthiness of the vessel is subject to remission or refund. For the purposes of this section, the

term “casualty” does not include any purchases or repairs necessitated by ordinary wear and tear, but does include a part’s failure to function if satisfactory evidence shows that the specific part was repaired or serviced immediately before starting the voyage from the United States port and that the part failed to function within six months of such repair or servicing.

(ii) *United States parts and equipment installed with American labor.* The equipment, equipment parts, repair parts or materials used on the vessel were manufactured or produced in the United States and purchased by the owner of the vessel in the United States, and the labor necessary to install such equipment or to make such repairs was performed by residents of the United States or by members of the regular crew of the vessel.

(iii) *Dunnage.* The equipment, equipment parts, materials or labor were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of temporary bulkheads or other similar devices for the control of bulk cargo, or in the preparation (without permanent repair or alteration) of tanks for the carriage of liquid cargo.

(d) *Procedure for remission or refund of duties—(1) Application for relief—(i) Form and contents.* The application for relief need not be in any particular form. The application for relief should allege that an item or a repair expense covered by the entry is not subject to duty under paragraph (a) of this section, or that the articles purchased or the repair expenses are within the provisions of paragraph (c) of this section, or that both conditions are present. The application for relief also shall certify that all foreign equipment, parts, or materials purchased for, and all foreign repairs made to, the vessel within one year immediately preceding the application have been declared as required by this section, or the application shall be deemed incomplete. The application for relief shall be signed by the master, owner, or operator of the vessel, or their authorized agent. If the application for relief is filed by a corporation, it shall be signed by an authorized corporate officer.

(ii) *Place and time of filing.* The application for relief shall be filed with the

appropriate Customs officer at the port where the vessel repair entry was made or with the appropriate vessel repair liquidation unit (see paragraph (c)(1) of this section). If filed at the port where the entry was made, the Customs officer who receives the application shall promptly forward it, together with his comments, if any, to the appropriate vessel repair liquidation unit. The application for relief, with supporting evidence, shall be filed within 90 days from the date of first arrival of the vessel. However, if good cause is shown, the appropriate vessel repair liquidation unit may authorize one 30-day extension of time to file beyond the 90-day filing period.

(iii) *Supporting evidence.* Unless such evidence is already filed with Customs, each application for relief shall include duplicate copies of the following evidence, in addition to any other documents the applicant wishes to submit in support of the application:

(A) All itemized bills, receipts, and invoices covering items specified in paragraph (a)(1) of this section, segregating the cost of those items for which relief is sought from all other items listed in the vessel repair entry.

(B) Full and complete photocopies of the relevant parts of the vessel’s logs.

(C) Photocopies of any American Bureau of Shipping or other classification society report of the cause and type of damage and the nature of the remedial action taken, together with photocopies of any certifications of seaworthiness.

(D) A certification by the master or other responsible vessel officer with personal knowledge of the facts relating to the relief sought, including, but not limited to, details of the claimed stress of weather or other casualty, when and where it occurred, the damages due to such stress of weather or other casualty, and the place and date where the vessel was repaired or the equipment for the vessel was purchased.

(E) A certification by the master as to whether the repairs or equipment purchases were necessary for the safety and seaworthiness of the vessel to enable it to reach its port of destination in the United States.

(F) A written description of the circumstances involved by the master or other responsible vessel officer having knowledge of the facts when remission or refund is sought under the provisions of paragraph (c)(3)(ii) (relating to the use of American equipment and labor) or (c)(3)(iii) (relating to dunnage) of this section.

(G) In the case of LASH barges and similar unmanned vessels, the evidence required in paragraphs (d)(1)(iii) (B), (D), (E), and (F) of this section may be omitted, and in lieu thereof, the owner or operator of each vessel shall submit evidence showing that: (1) The vessel was inspected immediately prior to its lading aboard the vessel which transported it to a foreign port on the voyage in which the damage occurred, (2) the vessel was then found to be in seaworthy condition, (3) the damage was discovered during the course of the foreign voyage, and (4) the repairs were necessary for the safety and seaworthiness of the vessel to enable it to reach its port of destination in the United States.

(iv) *Documentary evidence.* All documents submitted in support of an application must be certified by the master or owner of the vessel to be originals or copies of originals. If a vessel is owned or operated by a corporation, the master or an authorized corporate officer shall certify the documents. Documents in a foreign language shall be accompanied by an English translation that is certified for accuracy by the translator.

(v) *Action.* Within 60 days after receipt of an application for relief by a vessel repair liquidation unit, the appropriate vessel repair liquidation unit shall either approve or deny the application for relief or forward it to Headquarters, U.S. Customs Service, Attention: Entry Procedures and Carriers Branch, for advice, as provided in paragraph (c)(2) of this section. The appropriate vessel repair liquidation unit shall give prompt written notice of any final decision to the party who submitted the application. The notice shall advise the party of its right to petition for review of the decision under paragraph (d)(2) of this section. If the entry has been liquidated, reliquidation is required.

(vi) *Suspension of liquidation.* If an application for relief has been filed within the time period provided in paragraph (d)(1)(ii) of this section, liquidation of the vessel repair entry shall be suspended until 30 days after the date of the written notice provided for in paragraph (d)(1)(v) of this section.

(2) *Petition for review on a denial of an application for relief—(i) Form.* If an applicant is dissatisfied with the decision on its application for relief, the applicant may file a petition for review of that decision. The petition for review need not be in any particular form. The petition for review must identify the decision on the application for relief and must detail the exceptions taken to that decision. The petition shall be signed by the master, owner, or operator of the vessel, or their authorized agent. If the petition for review is filed by a corporation, it must be signed by a duly authorized corporate officer.

(ii) *Place and time of filing.* The petition for review shall be addressed to the Commissioner of Customs and shall be filed with the appropriate vessel repair liquidation unit within 30 days after the date of the written notice to the party of the decision on the application for relief, as provided in paragraph (d)(1)(v) of this section. However, if good cause is shown, the appropriate vessel repair liquidation unit may authorize one additional 30-day extension of time.

(iii) *Action.* The appropriate vessel repair liquidation unit promptly shall transmit a copy of the petition for review, any comments and recommendations he may have on the petition for review, and the entire file on the application for relief to Headquarters, U.S. Customs Service, Attention: Entry Procedures and Carriers Branch, for decision. After notification of the decision by Headquarters, the appropriate vessel repair liquidation unit shall give written notification of that decision to the party who filed the petition for review. The notice will inform the party that no further suspension of liquidation will be permitted.

(iv) *Suspension of liquidation.* If an original petition for review is filed within the time provided for in paragraph (d)(2)(ii) of this section, liquidation of the vessel repair entry shall be

suspended further until the vessel repair liquidation unit notifies the party who filed the petition of the decision on the petition. Following notification of the Headquarters decision to the party who filed the petition, the vessel repair liquidation unit shall promptly initiate liquidation of the entry in accordance with that decision.

(e) *Liquidation of vessel repair entries, time limits.* If evidence of cost is available and the appropriate vessel repair liquidation unit receives written notification from the master, owner, or operator of the vessel, or their authorized agent, that an application for relief will not be filed, the vessel repair liquidation unit promptly shall initiate liquidation of the entry. In all other cases in which the evidence of cost is available, the entry may be liquidated 60 days after arrival of the vessel, or at the expiration of any extension of time granted under paragraph (b)(2)(ii) of this section to furnish evidence of cost, unless an application for relief is filed timely as provided in paragraph (d)(1)(ii) of this section. If an application for relief is filed timely, the vessel repair entry may be liquidated 30 days after the date of the written notice to the party who filed the application for relief, as provided in paragraph (d)(1)(v), unless a petition for review is filed timely under paragraph (d)(2)(ii) of this section. If a petition for review is filed timely, the vessel repair entry may be liquidated after the date of the notification of the decision on the petition to the party who filed the petition.

(f) *Protests.* Following liquidation of an entry, a protest under part 174 of this chapter may be filed against the decision to treat an item or a repair as dutiable under paragraph (a) of this section, or against the decision denying the remission or refund of vessel repair duties under paragraph (c) of this section.

(g) *Penalties—(1) Failure to report, enter, or pay duty.* If the owner or master of a vessel subject to the provisions of paragraph (a) of this section willfully or knowingly neglects or fails to report, make entry, and pay duties as required, or if he makes any false statement in respect of the purchases or repairs described in this section

without reasonable cause to believe the truth of the statements, or aids or procures the making of any false statement as to any material matter without reasonable cause to believe the truth of the statement, the vessel, with its tackle, apparel, and furniture, or a monetary amount up to the value thereof as determined by the Secretary of the Treasury, to be recovered from the owner, shall be subject to seizure and forfeiture.

(2) *False declaration.* If any person required to file a declaration on Customs Form 226, by paragraph (b)(1) of this section, or to file an entry on Customs Form 226, by paragraph (b)(2) of this section, willfully and knowingly provides any false information, or willfully and knowingly omits any required information, that person shall be subject to the criminal penalties provided for in 18 U.S.C. 1001.

[T.D. 80-237, 45 FR 64565, Sept. 30, 1980, as amended by T.D. 82-227, 47 FR 54065, Dec. 1, 1982; T.D. 83-214, 48 FR 46511, Oct. 13, 1983; T.D. 84-149, 49 FR 28698, July 16, 1984; T.D. 84-213, 49 FR 41163, Oct. 19, 1984; T.D. 85-123, 50 FR 29952, July 23, 1985; T.D. 91-77, 56 FR 46114, Sept. 10, 1991; T.D. 93-57, 58 FR 39655, July 26, 1993; T.D. 93-65, 58 FR 44128, Aug. 19, 1993; T.D. 93-66, 58 FR 44130, Aug. 19, 1993; T.D. 94-41, 59 FR 18481, Apr. 19, 1994; T.D. 95-77, 60 FR 50010, Sept. 27, 1995; T.D. 99-27, 64 FR 13675, Mar. 22, 1999]

§ 4.15 Fishing vessels touching and trading at foreign places.

(a) Before any vessel documented with a fishery license endorsement shall touch and trade at a foreign port or place, the master shall obtain from the port director a permit on Customs Form 1379 to touch and trade.

When a fishing vessel departs from the United States and there is an intent to stop at a foreign port (1) to lade vessel equipment which was preordered, (2) to purchase and lade vessel equipment, or (3) to purchase and lade vessel equipment to replace existing vessel equipment, the master of the vessel must either clear for that foreign port or obtain a permit to touch and trade, whether or not the vessel will engage in fishing on that voyage.²⁸ Purchases

²⁸If such a vessel puts into a foreign port or place and only obtains bunkers, stores, or supplies suitable for a fishing voyage, it is